



CITY OF JANESVILLE LEGISLATIVE AGENDA

2022

ADAPTABILITY.
SERVICE.
RESPECT.
COMMUNICATION.



CITY OF JANESVILLE
Wisconsin's Park Place



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About Janesville... With 2,611 acres of parkland, 65 improved parks, and 31 miles of paved bike trails, Janesville is Wisconsin's Park Place. Janesville is located on the Rock River in the rolling hills of scenic south central Wisconsin. Founded in 1836, Janesville has a long history of strong industry and economic resiliency, which has helped turn the community into a major commercial and industrial center for the Stateline area.

About the City of Janesville... The City's mission is to innovatively provide effective municipal services that are responsive to the needs of residents, businesses, and visitors, which are delivered in a reliable, efficient manner in order to sustain Janesville as the community of choice. As Wisconsin's first city to operate under the council-manager form of government, the City of Janesville has a professional staff managing the full spectrum of municipal services. Key service statistics from 2020 include:

- Calls for Fire/EMS Service: 15,824
- Police Department Activities: 57,012
- Recreation Program Participants: 101,893
- Miles of Streets Rehabilitated: 12.5
- Potholes Filled: 7,912
- Bus Rides Provided: 266,013
- Water Meters Installed: 1,160
- Square Feet of New Industrial and Residential Space: 544,228
- Building Permits for New Homes Issued: 107
- Families Assisted Through the Rent Assistance Program: 496



CITY OF JANESVILLE

Wisconsin's Park Place:

*Discover the community of choice
to realize life's opportunities*

CITY OF JANESVILLE

LEGISLATIVE AGENDA

2022 Federal Priorities

Issue 1: Support for Housing and Community Development Programs

Federally-backed housing and community development programs are critical to assist Janesville's citizens and to support the local economy. The Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) Programs are essential in countless communities across the country, including Janesville. These programs help revitalize neighborhoods, encourage homeownership, improve housing quality, improve fair housing opportunities, provide employment opportunities, and provide low and moderate-income residents decent, safe, and affordable housing. We appreciate funding allocated to these vital programs through the CARES Act, which allows us to assist the individuals and families most affected by the pandemic. Through the Housing Choice Voucher (HCV) Rent Assistance Program, the City assists approximately 500 families each month, providing an important safety net for low-income families. The families assisted in Janesville have an average income of \$12,835 a year, and 65 percent of those receive Supplemental Security Income (SSI), Social Security, or pension income.

Eligible applicants are waiting several years for assistance. Administrative fees for the HCV program are insufficient to operate the program in a manner that truly supports and encourages family self-sufficiency. The cap on administrative expenses has declined from a 93 percent pro-ration in 2010 to 82 percent in 2021. The City requests that Congress increase Housing Assistance Payment (HAP) funding to assist more families in need and increase administrative funding to 100 percent of fee eligibility so it can provide services more effectively. In addition, we request that Fair Housing activities be permitted under the CDBG program as a non-administrative eligible program expense so that the City may allocate additional resources to promoting fair housing through increased education, legal advocacy, and enforcement measures. The current cap on administrative funding under the CDBG and HOME Programs is insufficient to drive meaningful fair housing actions. We also request that Congress establish a task force to evaluate these programs and explore reducing regulatory requirements to make it easier to use these funds to address the nation's affordable housing crisis.

Issue 2: Continued Support for Public Transit

The Janesville Transit System (JTS) meets the public's transportation needs by providing bus service within Janesville and regionally, allowing citizens to get to work, school, and essential services such as healthcare. In the summer of 2021, JTS received zero findings from the Federal Transit Administration's (FTA) Triennial Review of the agency. Receipt of zero findings indicates the FTA noted no deficiencies in the system's performance or adherence to federal guidelines. Federal funding is vital to support JTS' capital needs and daily operations. We are appreciative of Janesville's recent receipt of capital funding which allowed us to replace our fleet of buses that were past their useful lives in both years and miles.

Additionally, we are grateful for the Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan Act (ARPA) funding distributed through the FTA and are putting these dollars to effective use. We are also excited to learn about the recently approved Infrastructure Investment and Jobs Act and to putting those funds to work in Janesville for the benefit of our residents. The City would like to thank Congress for prioritizing public transit and remind them of the role this funding plays in meeting the critical needs of our most vulnerable populations.

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LEGISLATIVE AGENDA

2022 State Priorities

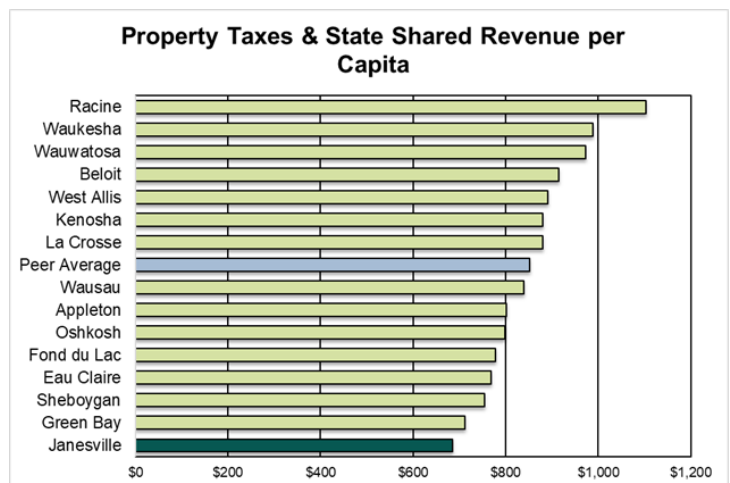
Issue 1: Restoration of Fiscal Local Control

Municipalities provide essential services such as public safety, water and wastewater systems, and paved and plowed streets. Despite the great responsibility municipalities assume, the State has stripped the local ability to generate the revenue to keep up with rising costs and meet citizen expectations.

- **Levy Limits** hinder a municipality's ability to provide services that grow in cost faster than the increased property value from net new construction. With a net new construction rate of just 1.68 percent for 2021 and inflation projected at 4-5 percent, state-imposed levy limits once again guarantee the City will lose the buying power needed to meet our community's expectation for quality City services. Fiscally prudent municipalities like Janesville, where the property tax per capita is fourth lowest among our 14 peers, are significantly disadvantaged by levy limits.
- **Expenditure Restraint Program (ERP):** State statute currently allows municipalities to exceed their levy limit if voters approve the increase via referendum; paradoxically, those increases are not exempt from the ERP calculation. Many municipalities with successful referendums increase their budget greater than their ERP limit and lose State aid. For example, the City of Janesville cannot ask the voters to exceed the levy limit for the enhanced street rehabilitation program without the risk of exceeding the ERP limit and losing \$1,348,000 in aid.

- **Local Option Sales Tax:** In many states with strict levy limits, like Wisconsin, municipalities are allowed to levy a sales tax that will enable them to decrease their reliance on State aid and property tax. The City was pleased to see this issue addressed in Governor Evers' proposed budget, which would have allowed municipalities with a population of over 30,000 to impose a 0.5 percent sales tax if approved by a local referendum. The City estimates that in 2021, a 0.5 percent sales tax in Janesville would have generated \$10.3 million in revenue for the City. This revenue would be paid in part by non-residents that use services in Janesville, the economic hub of our region. This added revenue stream would provide financial flexibility, relieve the tax burden felt by property owners, and allow the City to decrease its reliance on debt for capital projects.

Please restore local fiscal control by 1) either removing levy limits or allowing municipalities to increase their levies by a maximum of inflation plus net new construction; 2) exempting any budgetary increase for a successful referendum from the ERP limit calculation; 3) giving municipalities the ability to implement a 0.5 percent local option sales tax.



"MunicipalFacts19", Wisconsin Taxpayer Alliance



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Issue 2: Fair and Equitable Distribution of State Shared Revenue

State Shared Revenue is vital to a municipality's ability to provide public services to our citizens and should be distributed among municipalities fairly and equitably. However, the State's inequitable distribution of shared revenue provides Janesville with the lowest combined property tax and shared revenue allocation per capita of our 14 peer communities. The State acknowledged this inequity in its 2017-2019 Biennial Budget, which included an increase in the expenditure restraint program payment to Janesville from 2018—2022 in an attempt to mitigate its consequences. Even with this special Expenditure Restraint Program payment, Janesville continued to receive a per capita property tax and shared revenue distribution well below the average of our peer communities.

Even with this special Expenditure Restraint Program payment, Janesville continued to receive a per capita property tax and shared revenue distribution well below the average of our peer communities. While the State has yet to address its inequitable shared revenue distribution, the expiration of the special ERP payment in 2022 will force the City to cut three police officer positions and three firefighter/paramedic positions. If Janesville received State Shared Revenue equal to that of the average peer city, it would equate to an increase of nearly \$5,700,000 each year, doubling Janesville's current distribution. We request that the legislature "unfreeze" and annually recalculate Shared Revenue, allowing for factors such as population and assessed value growth that would equitably determine the distribution.

Issue 3: Fully Fund the Payment for Municipal Services Program

The critical services provided by municipalities extend to State facilities that enjoy municipal amenities such as police and fire protection and solid waste collection. While these facilities do not contribute to delivering these services through property taxes, the State's Municipal Services Program aims to ensure the State pays its fair share as a user of these municipal resources. However, the State's funding of this program for 2020, the most recent year information is available, covers only 34 percent of eligible municipal expenses.

Not only is this the smallest share on record, continuing the State's trend of progressively underfunding the program, but it means that the City's taxpayers will subsidize the remaining 66 percent of the State's costs. Had this program been fully funded in 2022, the City of Janesville would have received an additional \$233,000 in revenue. The City asks the State to contribute equitably to the provision of municipal services by fully funding this program.

Issue 4: Increase Support for Tourism Capital Grants

In the summer of 2021, Governor Tony Evers announced the State had made available \$10 million in grant funds to local governments and tourism-entity nonprofits for tourism-related investment projects. The announcement recognized the importance of capital projects such as convention centers and travel infrastructure to maintain and bolster Wisconsin's tourism industry. Well-known as Wisconsin's Park Place, Janesville draws visitors from across the state and region looking to enjoy the community's natural beauty. As a regional economic hub with numerous art, entertainment, and sporting attractions, Janesville is poised to continue in its role as a destination for visitors of all types.

Excited at the opportunity to leverage capital investments to magnify Janesville's destination presence, the City has applied for a tourism capital grant for the proposed Woodman's Community Center-Janesville's Athletic and Conference Center (WCC). A multi-year project with a completed feasibility study and a broad base of community involvement, the City believes prospective tourism-related projects such as the WCC are prime opportunities for partners like the State to utilize capital grants to expand Wisconsin's tourism industry. The City encourages the State to expand upon the Governor's Tourism Capital Grant Program and leverage the efforts of municipalities to enhance local tourism infrastructure.